



Amy G. Rabinowitz  
*Counsel*

March 19, 2004

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

**Re: D.T.E. 03-88E**

Dear Secretary Cottrell:

I am enclosing the Response of Massachusetts Electric Company and Nantucket Electric Company to Petitions to Intervene. Thank you very much for your time and attention to this matter.

Very truly yours,

  
Amy G. Rabinowitz

cc: Service List

25 Research Drive  
Westborough, MA 01582-0099  
508.389.2975 Fax: 508.389.2463  
amy.rabinowitz@us.ngrid.com

	)	
Investigation by the Department of Telecommunications	)	
and Energy on its Own Motion, pursuant to G.L. c. 164	)	
§§ 1A(a), 1B(d), 94 and 220 C.M.R. 11.04 into the Costs	)	D.T.E. 03-88E
that Should Be Included in Default Service Rates for	)	
Massachusetts Electric Company and Nantucket Electric	)	
Company	)	
	)	

Massachusetts Electric Company and Nantucket Electric Company (collectively “Mass. Electric” or “Company”) hereby respond to the Petitions to Intervene filed in this proceeding by the Associated Industries of Massachusetts (“AIM”), the Division of Energy Resources (“DOER”), Direct Energy/Centrica North America (“Centrica”), and Dominion Retail (“Dominion”).<sup>1</sup> Mass. Electric has no objection to the petitions to intervene filed by AIM and DOER. Mass. Electric objects to the petitions to intervene filed by Centrica and Dominion, although Mass. Electric does not object to granting them limited participant status. Centrica and Dominion, both retail competitive suppliers, do not meet the standard for intervention.

<sup>1</sup> At the procedural conference held March 11, 2004, the Department allowed limited participant status for Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, Fitchburg Gas and Electric Company, and Western Massachusetts Electric Company. The Department granted Massachusetts Community Action Program Directors Association Inc. (MASSCAP) intervenor status, and took the petitions to intervene of Select Energy and Constellation NewEnergy under advisement. In addition, the Attorney General entered a notice of intervention.

## **I. Scope of this Proceeding**

On June 21, 2002, the Department opened an investigation into all aspects of the provision of default service. D.T.E. 02-40. On April 24, 2003, the Department issued an order in that investigation that addressed, among other things, the costs components that should be included in the calculation of default service rates. D.T.E. 02-40-B. The Department identified the types of costs that should be included in default service rates, and announced that it would open an investigation to determine the amount of these costs incurred by each distribution company. Id. at 15-21. Accordingly, on November 17, 2003, the Department opened this investigation to determine the amount of costs to be transferred from base rates to default service rates and the appropriate adjustment to be applied to each rate class' distribution base rates. D.T.E. 03-88. On January 20, 2004, the Company submitted its filing identifying the costs and appropriate adjustment. In this proceeding, the Department will review the Company's identification of costs and proposed adjustment to base rates.

## **II. The petitions to intervene of Centrica and Dominion do not meet the requisite standard and should be denied.**

A petitioner wishing to intervene must show that "he may be substantially and specifically affected by the proceeding." Mass. Gen. Laws, c. 30A, § 10; 220 CMR 1.03(1)(b). The Supreme Judicial Court "has repeatedly recognized that agencies have broad discretion to grant or deny intervention." Tofias v. Energy Facilities Siting Board, 435 Mass. 340, 346 (2001). A commercial interest alone does not qualify a party for intervenor status. Cablevision Systems Corporation v. Department of Telecommunications and Energy, 428 Mass. 436 (1998).

Dominion and Centrica, like Select Energy and Constellation, assert only a commercial interest. They are energy suppliers currently supplying customers or evaluating whether to do so in the future. They are not Mass. Electric customers, and their customers are not Mass. Electric default service customers.

Dominion at best asserts only a general commercial interest. It states that “[a]s a competitive electric supplier currently serving Default Service customers and developing longer-term plans to serve all customers, Dominion is substantially and specifically affected by the above-captioned proceedings.” Dominion Petition, ¶ 4. While this allegation asserts that Dominion will be affected, it does not state how in any way. Nor does it allege any effect other than commercial. Dominion goes on to state that it “also has an interest in ensuring that Default Service rates are properly calculated in order to send the proper price signals to consumers and promote the further development of the competitive market.” *Id.* This, though, is a general statement about the marketplace, and gives no indication that Dominion will be substantially and specifically affected by this proceeding.

Furthermore, Dominion states that it wishes to participate in the proceeding as it deems necessary, including filing written comments, attendance and participation during procedural and public hearings, and submittal of briefs. Dominion Petition, ¶ 5. Dominion would have the right to participate in this way as a limited participant.

Centrica as well asserts only a general commercial interest. Centrica states:

As a large retail supplier focusing on the under-served residential and small commercial markets, Centrica would be interested in entering the Massachusetts retail electricity market should the structure and regulatory features of that market present an opportunity for Centrica to offer customers real value. The allocation of costs between distribution rates and the default service price is certainly a key regulatory feature of the market and, in that respect, Centrica and its ability to enter and compete in the Massachusetts market may be substantially and specifically affected by these proceedings.

Centrica Petition, p. 3. Even if Centrica's petition was not fatally flawed for stating a commercial interest only, on its face, the nature of what Centrica states it wishes to address will not be addressed in this docket. As set forth above, the scope of this proceeding is very limited. It does not address the structure and regulatory features of the market. The Department addressed these issues in D.T.E. 02-40. In this docket, the Department will review the amount of wholesale related and direct retail related costs, as defined in D.T.E. 02-40-B, and D.T.E. 03-88, that Mass. Electric has identified and the adjustment to be made to base rates.

Furthermore, the Joint Comments of Centrica and Dominion dated March 15, 2004 make it clear that both parties do not agree with the Department's decisions in D.T.E. 02-40-B and wish to address issues outside of the stated scope of the proceeding, most notably what would be required to implement Rep. Dan Boseley's legislative proposal. Joint Comments of Direct Energy/Centrica and Dominion Retail, Inc. pp. 2-4. This would be entirely inappropriate and outside of the scope of this proceeding. If Centrica and Dominion really believe, as they state on p. 2 of their Joint Comments, that "no party who has taken an interest in this proceeding is under the illusion that it will lead to the development of a robust retail market that will offer real choice to market customers," then the basis for their allegation in their petitions to intervene that they will be substantially and specifically affected is questionable. If Centrica and Dominion have no "illusion" that D.T.E. 03-88-E will lead to the development of a robust retail market, they need not waste their time participating.

**III. Conclusion**

For the reasons set forth above, Mass. Electric opposes the full party intervention of Centrica and Dominion.

Respectfully submitted,

MASSACHUSETTS ELECTRIC COMPANY  
NANTUCKET ELECTRIC COMPANY  
By their attorney,

---

Amy G. Rabinowitz  
25 Research Drive  
Westboro, MA 01582

Dated: March 19, 2004

	)	
Investigation by the Department of Telecommunications	)	
and Energy on its Own Motion, pursuant to G.L. c. 164	)	
§§ 1A(a), 1B(d), 94 and 220 C.M.R. 11.04 into the Costs	)	D.T.E. 03-88E
that Should Be Included in Default Service Rates for	)	
Massachusetts Electric Company and Nantucket Electric	)	
Company	)	
	)	

I hereby certify that I have served the Response of Massachusetts Electric Company and Nantucket Electric Company to Petitions to Intervene on the Service List in this proceeding, in accordance with 220 C.M.R. 1.05.

Dated: March 19, 2004